

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF PENNSYLVANIA**

AMERICAN HONDA FINANCE  
CORPORATION,

Plaintiff,

v.

MICHAEL SAPORITO and ANTONIO  
PIERCE,

Defendants.

**COMPLAINT**

**Civil Action**

Plaintiff, American Honda Finance Corporation, (“AHFC”), by and through its undersigned attorneys, hereby brings this Complaint against Defendants, Michael Saporito (“Saporito”) and Antonio Pierce (“Pierce”), as follows:

**PARTIES**

1. AHFC is a corporation organized under the laws of California with its principal place of business at 20800 Madrona Avenue, Torrance, CA 90503. AHFC is duly authorized to conduct the business of establishing and maintaining wholesale lines of credit and loans for authorized Honda dealers in the Commonwealth of Pennsylvania, the State of New Jersey, and elsewhere.

2. Michael Saporito is a citizen of the State of New Jersey residing at 382 Old York Road, Hamilton, New Jersey.

3. Antonio Pierce is a citizen of the State of Arizona residing at 1172 W. Sunrise Place, Chandler, AZ.

### **JURISDICTION AND VENUE**

4. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a) in that this is an action between citizens of different states and the amount in controversy exceeds \$75,000.

5. Venue is proper in this District pursuant to 28 U.S.C. § 1391 in that this is the district in which most of the events giving rise to the claims asserted herein occurred and are occurring, and in which a substantial part of the property and collateral that forms the subject matter of the action is situated.

### **FACTUAL ALLEGATIONS**

1. AHFC is in the business of establishing wholesale credit lines and purchasing money and other types of financing to authorized Honda dealers, enabling them, among other things, to acquire inventory of courtesy vehicles and vehicles for retail sale and lease to the public, to purchase real property to house the dealership operations and to finance the construction and/or renovation of dealership facilities.

2. On or about July 20, 2016 and March 20, 2009, AHFC and two authorized Honda dealers known as Hazelton Honda, located in Hazelton, Pennsylvania and Hamilton Honda, located in Hamilton, New Jersey (together, the “Dealerships”),<sup>1</sup> respectively, entered into automotive Wholesale Finance Agreements (as amended, restated, modified and otherwise supplemented, the

---

<sup>1</sup> Hazelton Honda’s legal name is Airport Road Motors Ho. LLC, and Hamilton Honda’s legal name is Allstar Motors LLC.

“WFAs”) by which AHFC agreed to provide the Dealerships funds in order to finance Dealerships’ acquisition of new and used automobiles, trucks and other vehicles.

3. Additionally, AHFC issued Hazelton Honda a mortgage for the Dealership’s business real property located in Hazel Township, Pennsylvania

4. Under the WFAs, Dealerships agreed to reimburse and promptly pay all amounts incurred by AHFC in connection with the collection of, and enforcement, of the terms of the WFAs.

5. To secure all existing and future obligations to AHFC, Dealerships granted AHFC a continuing security interest in all collateral, including but not limited to vehicles, parts, furniture, equipment, accounts, instruments, letters of credit, contract rights, intangible property, books and records, personal property assets and all proceeds of the same.

6. Hazelton Honda separately granted AHFC a mortgage security interest in the Dealership’s Hazel Township business real property.

7. AHFC properly secured its security interests in the collateral by filing financing statements with the Secretary of State of the Commonwealth of Pennsylvania and the State of New Jersey and recording the mortgage in the Luzerne County Recorder of Deeds.

8. As an inducement for AHFC to extend credit to the Dealerships, Defendant Pierce agreed to act as personal guarantor to Hazelton Honda, and Defendant Saporito agreed to act as personal guarantor to both Dealerships’ respective WFAs, mortgages and all other obligations under the Dealerships.

9. Accordingly, in March 2009 and July 2016, Defendants Saporito and Pierce, respectively, each individually executed a Personal Guaranty of the obligations of the Dealerships to AHFC under the WFAs and related security and loan documents (collectively, the “Personal Guaranties”). True and correct copies of Defendants’ Saporito and Pierce’s Personal Guaranties are attached hereto as Exhibit “A.”

10. Pursuant to the WFAs, Mortgages and Personal Guaranties, the Dealerships and Defendants agreed that the Dealerships would promptly pay AHFC all fees, charges, and expenses incurred by AHFC to collect amounts due under the WFAs, including, without limitation, insurance charges, keepers fees, security personnel fees and legal fees, aggregating \$751,117.06.

11. The Dealerships and Defendants defaulted upon the terms of the WFAs, the Mortgages and Personal Guaranties by, among other things, failing to make timely payments to AHFC. AHFC thereafter provided the Dealerships and Defendants with numerous notices of default, and demanded payment of all amounts due and owing under the WFAs, the Mortgages and Personal Guaranties, and related security documents.

12. Neither the Dealerships nor Defendants cured their defaults.

13. On June 20, 2019, Hazelton Honda, Saporito, Pierce and another individual entered into an Asset Purchase Agreement with a third party (the “Buyer”) whereby the Buyer purchased substantially all of the physical assets, such as new and used vehicles, parts, furniture, fixtures and equipment, as well as intangible assets.

14. On the same date, Hazelton Honda separately entered into a Real Estate Purchase and Sale Agreement with the Buyer's real estate affiliate for the purchase of Hazelton Honda's business real property.

15. After these sales, however, a deficiency of \$8,847,726.58 million total was still remaining.

16. To date, Defendants remain in default on their guaranty agreements, and as of October 31, 2019, they are individually, jointly and/or severally liable to AHFC in the principal amount of \$8,847,726.58, which is currently accruing, along with all costs, expenses and attorneys' fees incurred by AHFC in connection with the enforcement of the Personal Guaranties of the Dealerships' indebtedness to AHFC.

### **COUNT I**

#### **BREACH OF CONTRACT**

17. AHFC incorporates the preceding paragraphs as though set forth at length herein.

18. Pursuant to the WFAs, the Mortgage, and Personal Guaranties, valid, binding contracts were formed between AHFC and Defendants.

19. AHFC fully performed under the contracts and all conditions precedent have been met.

20. Defendants, having defaulted, among other performance failures under the contract, have thereby breached the contracts, causing and continuing to cause AHFC damages.

**WHEREFORE**, Plaintiff, AHFC, demands judgment against Defendants, Michael Saporito and Antonio Pierce, for damages in an amount in excess of

\$8,847,726.58, plus interest, expenses, costs of the suit and attorneys' fees, and such other further relief as the Court deems necessary and proper.

Respectfully submitted,

**TUCKER LAW GROUP, LLC**

/s/ Joe H. Tucker, Jr.

Joe H. Tucker, Jr., Esquire (PA56617)

Kathleen Kirkpatrick, Esquire (PA#87240)

Ten Penn Center

1801 Market Street, Suite 2500

Philadelphia, PA 19103

(215) 875-0609

[kkirkpatrick@tlgattorneys.com](mailto:kkirkpatrick@tlgattorneys.com)

***Attorneys for Plaintiff American Honda  
Finance Corporation***

DATED: December 09, 2019